

**National Committee on Vital and Health Statistics
Standards and Security Subcommittee
Friday March 31, 2000
Testimony of Gary Beatty – Chair X12 Insurance Subcommittee**

On behalf of X12 and the X12 Insurance Subcommittee, I would like to thank the National Committee on Vital and Health Statistics, Standards and Security Subcommittee for this opportunity to testify on the change management process as outlined within the Memorandum of Understanding (MOU) between the designated organizations having responsibility for the administrative transactions and data content required by the Health Insurance Portability and Accountability Act of 1996.

Benefits to the public, the government, and health care organizations of this process

Over two years ago we started the process of developing this MOU due to concerns for the need to coordinate amongst the designed organizations and a consistent process for the healthcare industry to request changes to the HIPAA mandated standards. This process needed to provide:

- A single point of entry for change requests.
- A tracking system to record which organizations have expressed interest in working on the change requests with links to those organizations web sites and when their open meetings are scheduled
- Provide progress feedback to the requestor and the health care industry
- Enable a broad cross-organizational consensus process regarding the change requests.

Any concerns with the process

This change management process meets the needs we originally set out to develop within the Memorandum of Understanding. However, it also depends upon an automated web based system and paper process that will require funding and resources to manage the systems and support the paper change requests. This MOU does not outline how neither the designed organizations nor the Department of Health and Human Services will facilitate or fund these activities. This leaves several unanswered questions for the signatories including who will develop and manage the processes, where will the funding come from, and will it require a one-time investment or an ongoing funding commitment. The signatories to this MOU will have to resolve these questions as we facilitate the requirements of this MOU.

Process by which your organization approved MOU

This Memorandum of Understanding has been review several times by X12 management, the X12 Insurance Subcommittee management, the implementation guide authors, and other members of the Insurance Subcommittee. At the February X12 trimester meeting, the Insurance Subcommittee unanimously approved the recommendation to sign this Memorandum of Understanding.

Any changes that will be required for your organization to comply with the MOU

In order to meet the requirements within this Memorandum of Understanding, the Insurance Subcommittee's Business and Information Modeling Task Group, has established the HIPAA Implementation and Coordination Workgroup. This workgroup will be responsible for coordinating the monthly review of new change requests to determine if X12N has interest in the change requests and will coordinate the 90 analysis and recommendation period with the authors of the affected implementation guide(s). This workgroup will also provide an annual report of the changes to the HIPAA implementation guides and coordinate a recommendation with the other designated organizations as to the status of the process to the National Committee on Vital and Health Statistics.

Change requests that receive approval will fall into three categories within the X12N Insurance Subcommittee:

1. Non-substantive changes are editorial in nature and do not materially affect the usage of transaction standards. These changes can be facilitated within a four-month time frame and incorporated at the next meeting of the X12N Insurance Subcommittee.
2. Substantive changes that do not require a change to the X12 standards are inclusions of data content that is already in the X12 standard but not implemented within the HIPAA implementation guide. These changes would require a new version of the implementation guides and follow the X12N implementation guides process which can take up to twelve months to complete.
3. Substantive changes that also require a change to the X12 standard. These changes will require an X12 data maintenance request submission and follow the normal ANSI ASC X12 process to generate industry consensus on the change to the X12 standard. The X12N implementation guide change process can also be initiated at the same time to begin the process of developing the next version of the HIPAA implementation guide to include the new change(s).

X12N is also in the process of developing an emergency process to quickly change the implementation guides in cases where there is a federal mandate that must be met in a shorter timeframe than the processes defined above. At the February trimester meeting we had to utilize such a process to meet requirements of Balanced Budget Act that will be mandated this April.

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